



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: June 4, 2019

TO: Christine Daniel, City Manager

FROM: Charles S. Bryant, Community Development Director

SUBJECT: **Resolution Of The City Council Of The City Of Emeryville Authorizing The City Manager To Execute An Amendment To The Professional Services Contract With Placeworks Inc. To Provide Assistance To The City's Affordable Homeownership And Rental Programs, Extending The Term From June 30, 2019 To December 31, 2019 And Increasing The Total Contract Amount Of \$89,350 By \$90,020 To A New Total Contract Amount Not To Exceed \$179,370**

RECOMMENDATION

Staff recommends that the City Council adopt the above-entitled resolution authorizing the City Manager to execute an amendment to the Professional Services Contract with Placeworks Inc. to provide assistance to the City's Affordable Homeownership and Rental Programs, extending the contract term from June 30, 2019 to December 31, 2019 and increasing the total contract amount of \$89,350 by \$90,020 to a new total contract amount not-to-exceed \$179,370.

BACKGROUND

The City has policies and programs to support affordable housing through the creation, maintenance, and preservation of affordable homeownership and rental opportunities for income-eligible households. Prior to the dissolution of Redevelopment in 2012, the City implemented affordable housing objectives primarily through two activities:

- Creation of deed-restricted Below Market Rate (BMR) units through the City's Affordable Housing Set-Aside Ordinance, frequently supported by additional financial assistance from the Emeryville Redevelopment Agency.
- Down payment assistance directly to income-eligible buyers for both market rate and BMR units in the form of fully deferred "silent second" mortgages delivered through the following programs:
 - Redevelopment Funded Programs:
 - First Time Homebuyer Loan Program (FTHB), available to moderate income households for market rate and BMR units.
 - Ownership Housing Assistance Program (OHAP), available to low income households for BMR units.
 - State of California Funded Programs (These programs are governed by regulations and guidelines provided by the State):

- CalHome Program, available to low income first time homebuyers for market rate and below market rate units.
- Housing Enabled by Local Partnership (HELP) Program, available to low income buyers for market rate and below market rate units.

After the Emeryville Redevelopment Agency was dissolved in 2012, the housing obligations and assets of the former Agency were transferred to the City of Emeryville as Housing Successor. These homeownership and rental assets include over 230 BMR ownership units, 180 homebuyer loans and over 600 existing BMR rental units. The management activities related to these assets include handling resales of units, processing requests for loan payoffs and subordinations, monitoring owner-occupancy requirements, and responding to inquiries from program participants and other interested parties. To provide these services, the City contracted with Michael Baker International (“Michael Baker”) from 2014 through late 2018, during which time their staff developed a deep understanding of the programs’ requirements.

In late 2018, Michael Baker’s Project Director, Senior Planner, Project Manager, and Associate Planner that were assigned to the City of Emeryville contract resigned from the firm, which left the City without adequate support for the program. Several of the trained staff from Michael Baker were hired by Placeworks Inc. (“Placeworks”). On January 15, 2019, the City Council authorized the City Manager to execute a contract with Placeworks in order to provide seamless services. The existing contract term runs from January 16, 2019 to June 30, 2019 for a total contract amount not to exceed \$89,350. As a result, services related to the City’s affordable housing program have been provided uninterrupted.

DISCUSSION

The January 15, 2019 staff report to the City Council on the original Placeworks contract indicated that staff planned to release a Request for Qualifications (RFQ) for Homebuyer Program Assistance in early 2019. In late January 2019, the City’s key staff member assigned to housing issues announced her resignation, which limited staff’s ability to produce the RFQ as originally planned. Consequently, staff is requesting authorization to amend the contract with Placeworks to extend the term to December 31, 2019 and increase the total contract amount by \$90,020 to cover these additional services, for a new total amount of \$179,370.

During the additional time provided by the proposed amendment, staff anticipates the hiring of a Community and Economic Development Coordinator II to be assigned to housing programs, which will provide the staff resources necessary to develop the RFQ.

FISCAL IMPACT

Funding for affordable housing program support services for FY 2019-20 is included in the proposed Two-Year Operating Budget for FY 2019-20 and 2020-21, from the Affordable Housing Fund (Fund 299) budget for Professional Services (Account 299-

80050). Execution of the proposed contract amendment would be contingent upon the adoption of the proposed budget.

STAFF COMMUNICATION WITH THE PUBLIC

There has been no staff communication with the public on this issue.

CONCLUSION

Staff is requesting that the City Council adopt the attached resolution authorizing the City Manager to execute an amendment to the Professional Services Contract with Placeworks Inc. to provide assistance to the City's Affordable Homeownership and Rental Programs, extending the contract term from June 30, 2019 to December 31, 2019 and increasing the total contract amount by \$90,020 to a total contract amount not-to-exceed \$179,370.

PREPARED BY: Chadrick Smalley, Economic Development and Housing Manager

APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:



Christine Daniel, City Manager

ATTACHMENTS

- Draft Resolution including Exhibit A, Amendment to Professional Services Contract with Placeworks Inc.